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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 8, 2015

Rick Havenstrite
Desert Hawk Gold Corporation
1290 Holcomb Avenue
Reno, Nevada 89502

Subject: Initial Review of Amended Notice of Intention to Commence Large Mining Operations, Desert Hawk Gold Corporation, Kiewit Mine, M/045/0078, Tooele County, Utah

Dear Mr. Havenstrite:

The Division of Oil, Gas and Mining has reviewed the amended Kiewit Notice of Intention to Commence Large Mining Operations (Notice) submitted on April 1, 2015. Please make the following modifications to the replacement pages submitted:

1. On all applicable figures modify the preg pond on the drawings to match what was actually constructed.
2. Make appropriate changes on Figure 12B and include layouts for both crusher A and crusher B.
3. On all applicable figures, please remove the word "proposed" as it relates to the leach pad, as the pad is now built.
4. On all applicable figures add the word "proposed" to the Kiewit extension showing the shape at the top of the Kiewit pit. The Division has tentatively approved this extension, but is still pending approval from the BLM.

The revised reclamation cost estimate received on October 7, 2014, will be reviewed after these changes have been completed and concurrence is received from the BLM. Please keep the Notice current by submitting changes using Form MR-REV which is located on the Division's web site at ogm.utah.gov.

Also received on October 7, 2014, are the following:

- A page from the Kiewit Mine Project EA. It is unclear if this is to be added to the EA or if it should go somewhere else. Please provide form MR-REV for this page.
- A figure labeled as "Exploratory Drill Hole Locations." It is unclear if the figure is for information only, but approval for drilling on BLM land is to include approval from the BLM. Please provide more direction.



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The approval of the amendment does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

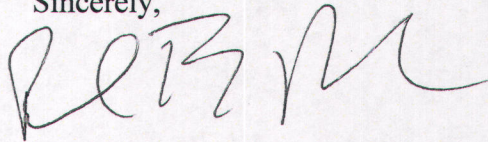
The Division again reiterates the conditions included in the approval letter dated February 21, 2014:

1. Mining at the Clifton Shears will not exceed 20 feet in depth until the operator has completed additional rock characterization.
2. No mining may be done at the Yellow Hammer until the operator has completed rock characterization.
3. Mining at the Kiewit will include rock characterization as committed to in the NOI.
4. Backfilling and grading reclamation bond monies will not be released until the heap leach draw down has been completed.

The Division and Desert Hawk Gold have agreed that inconsistencies exist in the Notice of Intention to Commence Large Mining Operations (Notice) and that any inconsistencies that impact regulatory authority decisions will be decided by the Division.

Please call Leslie Heppler at 801-538-5257 or me at 801-538-5261 if you have any questions regarding this letter. Thank you for your cooperation.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: lah: eb
cc: Stephen Allen, Salt Lake BLM (SAllen@blm.gov)
Wendy Shubert, Tooele County (wshubert@co.tooele.ut.us)
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